

**BEFORE THE HARYANA REAL ESTATE REGULATORY AUTHORITY,
GURUGRAM**

Complaint no.	6162 of 2024
Date of filing complaint	19.12.2024
First date of hearing	26.03.2025
Date of decision	23.12.2025

Pushpendra Singh and Seema Savita
R/o: F-1206, Corona Optus, Sector 37C, Gurgaon,
Haryana- 122001

Complainants

Versus

1. M/s Signature Global (India) Private Limited

Registered office: 1302, 13th floor, Tower-A,
Signature Towers, South City-I, Gurugram,
Haryana-122001

Respondent No.1

2. PNB Housing Finance Limited

Registered office: H-1A/10, 1st Floor, Sector-63,
Near Electronic City Metro Station, Gate No.2,
Noida, Uttar Pradesh-201301

Respondent No.2

CORAM:

Shri Arun Kumar
Shri Phool Singh Saini

**Chairman
Member**

APPEARANCE:

Shri Khush Kakra (Advocate)
Shri Venket Rao (Advocate)
None

**Complainants
Respondent No.1
Respondent No.2**

ORDER

1. The present complaint has been filed by the complainants/allottees under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (in short, the Act) read with Rule 28 of the Haryana Real Estate (Regulation and Development) Rules, 2017 (in short, the Rules) for violation of Section 11(4)(a) of the Act wherein it is *inter alia* prescribed that the promoter shall

be responsible for all obligations, responsibilities and functions under the provisions of the Act or the Rules and regulations made thereunder or to the allottee as per the agreement for sale executed *inter se*.

A. Unit and project related details

2. The particulars of unit details, sale consideration, the amount paid by the complainants, date of proposed handing over the possession, delay period, if any, have been detailed in the following tabular form:

Sr. No.	Particulars	Details
1.	Name and location of the project	The Millenia, Sector 37D, Gurugram
	Project Area	9.701 acres
2.	Nature of the project	Affordable Group Housing Colony
3.	DTCP license no.	04 of 2017 dated 02.02.2017 valid upto 01.02.2022
	Name of licensee	Signature Global (India) Pvt. Ltd.
4.	RERA Registered/ not registered	Registered 03 of 2017 dated 20.06.2017 upto 4 years from the date of environment clearance, i.e., upto 21.08.2021
5.	Unit no.	Flat no. 9-502, tower 9, 5 th floor (As per BBA at page 35 of complaint)
6.	Unit admeasuring area	596.126 sq. ft. (Carpet Area) 79.653 sq. ft. (Balcony Area) (As per BBA at page 35 of complaint)
7.	Allotment Letter	01.11.2017 (page 30 of complaint)
8.	Date of builder buyer agreement	11.01.2018 (page 33 of complaint)
	Possession clause as per builder buyer agreement	5. Possession <i>"5.1 Within 60 (sixty) day from the date of issuance of occupancy certificate, the Developer shall offer the possession of the Said Flat to the Allottee(s). Subject to Force Majeure circumstances, receipt of Occupancy Certificate and Allottee(s) having timely complied with all its obligations, formalities or documentation, as prescribed by the Developer in terms of the Agreement and not being in default under any part</i>

		<p>hereof including but not limited to the timely payment of instalments as per the Payment Plan, stamp duty and registration charges, the developer shall offer possession of the said Flat to the Allottee(s) within a period of 4 years from the date of approval of building plans or grant of environment clearance, (hereinafter referred to as the "Commencement Date"), whichever is later."</p>
	Possession clause as per Affordable Housing Policy, 2013	<p>1(iv) All such projects shall be required to be necessarily completed within 4 years from the approval of building plans or grant of environmental clearance, whichever is later. This date shall be referred to as the "date of commencement of project" for the purpose of this policy. The licences shall not be renewed beyond the said 4 years period from the date of commencement of project.</p>
9.	Date of approval of building plan	<p>08.06.2017 (Taken from another file of the same project i.e., CR/382/2023)</p>
10.	Date of environment clearance	<p>21.08.2017 (Taken from another file of the same project i.e., CR/382/2023)</p>
11.	Due date of possession	<p>21.02.2022 (Calculated from date of environment clearances i.e., 21.08.2017 being later, which comes out to be 21.08.2021 + 6 months as per HARERA notification no. 9/3-2020 dated 26.05.2020 for projects having completion date on or after 25.03.2020, on account of force majeure conditions due to outbreak of Covid-19 pandemic)</p>
12.	Sale consideration	<p>Rs. 24,24,331/- (As per BBA at page no. 42 of complaint and SOA dated 18.05.2021 at page no. 91 of complaint)</p>
13.	Total amount paid by the complainant	<p>Rs. 19,87,953/- (As pleaded by the complainants at page no. 8 of their complaint and SOA dated 18.05.2021 at page no. 91 of complaint)</p>
14.	Occupation certificate	<p>25.01.2023 (Page 11 of application for vacation of stay filed by respondent no.1 on 10.09.2025)</p>

15.	Demand Letters sent by respondent to complainants	03.04.2018, 27.09.2018, 01.10.2018 (To make payment of outstanding dues of Rs.3,55,516/-) (Page 89, 90 and 91 of reply, respectively)	12.03.2020, 12.12.2020 (To make payment of outstanding dues of Rs.8,66,122/-) (Page 97 and 99 of reply, respectively)
16.	Reminder Letters sent by respondent to complainants	01.11.2018 and 15.11.2018 (To make payment of outstanding dues of Rs.3,56,269/-) (Page 92 and 93 of reply, respectively)	22.02.2021 (To make payment of outstanding dues of Rs.8,77,163/-) (Page 101 of reply)
17.	Pre-Cancellation Letter sent by respondent to complainants	01.12.2018 (To make payment of outstanding dues of Rs.3,60,788/-) (Page 94 of reply)	26.03.2021 (To make payment of outstanding dues of Rs.8,86,169/-) (Page 102 of reply)
18.	Publication in Newspaper	Undated (Page 96 of reply)	31.07.2021 (Page 104 of reply)
19.	Cancellation Letter	18.12.2018 (Failure to pay outstanding dues of Rs.3,63,350/-) (Page 95 of reply)	31.07.2021 (Failure to pay outstanding dues of Rs.8,86,169/-) (Page 103 of reply)
20.	Third party rights created in favour Mrs. Sangeeta Handique	Allotment Letter: 10.11.2021 (Page 106 of reply) Conveyance Deed: 04.07.2023 (Page 40 of reply) Possession Certificate: 05.09.2023 (Page 143 of reply)	

B. Facts of the complaint:

3. The complainants have made the following submissions: -

- That the complainants approached the respondent for allotment of unit in the project through his application no. 242 dated 1.08.2017 together with required affidavit in terms of the Policy. Pursuant to the application, the draw of lots held on 27.10.2017 in the presence of officials DGTCP/DC, Gurugram, a unit bearing no. 9-502 in tower 9,

having a carpet area of 596.126 sq. ft. on 5th floor and balcony area 79.653 sq. ft. together with the two wheeler open parking site and pro rata share in the common areas was allotted to the complainants in terms of the Policy, the application and on other terms and conditions.

- b) That, as per the provisions of the Policy, the total cost for the said unit based on the carpet area was Rs. 23,84,504/- and cost of balcony area of Rs. 39,827/- which sums a total of Rs. 24,24,331/-. The complainants paid an amount of Rs. 1,21,217/- vide cheque no. 024270 dated 1.08.2017 drawn on OBC towards the part of sale consideration of unit at the time of allotment and assured the respondent no.1 that remaining balance sale consideration shall be paid as per the payment plan.
- c) That the respondent no.1 executed a one-sided builder buyer agreement dated 11.01.2018, just to create a false belief that the project shall be completed in time bound manner and in the garb of this agreement persistently with its mala fide intention raised demands due to which it extracted huge amount of money from the complainants. It is apposite to mention that the respondent no.1 at the time of the allotment represented to the complainants that there is only one payment plan which shall be time linked plan.
- d) That the complainants, in good faith, availed a loan to ensure timely payments to respondent no.1. The loan was sanctioned by India Bulls Housing Finance in April 2018 for an amount of Rs. 21,00,000/- in the name of complainants.
- e) That, in good faith, the complainants made all payments on time, under the assumption that respondent no. 1 was diligently working towards the timely completion of the project.
- f) That, in due course, India Bulls Housing Finance ceased making payment demands. Upon inquiry by the complainants in February 2019,

it was informed that India Bulls Housing Finance Limited had discontinued the payments as the branch was officially closing. In an apparent attempt to extract further funds, respondent no. 1 advised the complainants to transfer the loan account to another financial institution. Consequently, complainant no. 1 transferred the loan from India Bulls Housing Finance to Punjab National Bank Housing Limited, located at Noida Electronic City Metro Station, to ensure the continuation of timely payments. Thereafter, respondent no. 1 diligently withdrew funds from the complainants' account following the loan transfer.

- g) That, on multiple occasions, the complainants sought updates regarding the status of construction from respondent no. 1. However, respondent no. 1 failed to provide any updates on the construction status. That, by way of an email dated 04.04.2020, all the homebuyers collectively reached out to respondent no. 1, requesting an update on the status of the project's construction. They emphasized that each allottee had paid approximately 75% of the total consideration, yet the construction had not progressed in accordance with the agreed construction milestones. Additionally, it was conveyed that several banks and non-banking financial companies (NBFCs) had refused to disburse further payments due to the inadequate progress of construction.
- h) That only 38% of the project's construction had been completed by that time, however, the respondent had collected approximately 75% of the total consideration of the unit. No attention was given to the issues brought forward by the complainants before the respondent no.1 and over 1442 unit owners suffered due to delay in construction.
- i) That the respondent no.1 was obligated to deliver the project to the complainants no later than August 20, 2021, in accordance with clause

6.1 of the agreement. However, the respondent no.1 failed to complete the construction within the stipulated timeline. Each allottee, by way of an email dated 04.4.2020, formally raised concerns regarding the failure to meet construction milestones, indicating their unwillingness to remit the instalment due on 27.04.2020.

- j) That, on a bare perusal of the quarterly report submitted on the portal of this Authority it was seen that till date the project is not near completion. Further, the complainants never indicated a desire to relinquish possession of the unit the withholding of payment was solely to ensure that his hard-earned money was spent only after receiving the necessary assurances the respondent no.1.
- k) That in 2024, the complainants came to knowledge that the respondent no.1 is providing possession to the allottees their respective unit. In hope to have his dream home, On 15.03.2024, the complainant no.1 visited the respondent no.1, to inquire about the status of the handover of the unit. To their utter surprise, the respondent no.1, informed them that the unit allotted to them had been cancelled in March 2021 due to a failure to provide instalments. Thereafter the respondent no.1 told the complainants that the entire principal amount of Rs. 19,00,000/- have been repaid to the respondent no.2 on December 2023.
- l) That no intimation was provided with respect to the cancellation of the unit. The complainants were kept in the dark and kept paying each EMI on time to the respondent no.2 and providing timely payments to respondent no.1 who cancelled the unit, falsely stating that no timely payments were made. It is pertinent to note that the complainants have made the payment upto Rs. 19,87,953/- by 01.01.2021.
- m) That the complainant no.1 subsequently approached the respondent no.2 to inquire about the loan repayment. However, the respondent no.2

did not provide any information regarding the receipt of such payment. In an e-mail dated 21.03.2024, the complainant no.1 again inquired whether the payment had been received. Instead of providing an adequate response, the respondent no.2 advised the complainant no. 1 to contact the branch manager of the bank.

- n) The respondent no.2 have continuously harassed the complainant no.1 to pay the remaining EMI dues for FY 2020-2021, which could not be paid due to the global pandemic. To date, respondent no. 2 have not provided any confirmation regarding the receipt of the principal amount. Additionally, to the utter surprise of the complainant no.1, respondent no.2 has continuously verbally threatened the complainants, stating that if the remaining interest is not paid, action will be taken by filing an FIR and to get him behind the bars.
- o) In addition, upon receiving the repaid loan from respondent, the Bank has not provided any confirmation to the complainants. It is astonishing that, even if despite the loan being repaid, the Bank continued to extract money from the complainant no. 1 in the form of EMIs.
- p) It is pertinent to note that the complainants had previously changed the bank account details. The respondent no.1 could not have known about this change without being informed or notified. It is evident that the respondent no. 2 has colluded with the respondent no.1 to defraud the complainants by failing to provide any information or notification regarding the receipt of the repayment of the loan provided by the respondent no.1.
- q) It is also pertinent to note that, even if respondent, had cancelled the unit in 2021, respondent no. 1 did not repay the loan to the Bank until December 2023. During this entire period, the complainants were kept uninformed and continued to make timely EMI payments.

r) That respondent no. 1, by their own admission, cancelled the complainants' unit in the year 2021 and refunded the principal amount to respondent no. 2 in 2024. Despite cancelling, the respondent no. 1 unjustly enriched themselves by retaining the amounts paid by the complainants and arbitrarily refunded the principal amount to respondent no. 2 in 2024. Throughout this period, the complainants, being unaware of these developments, continued to make timely EMI payments.

s) It is pertinent to note that respondent no. 1, without achieving the requisite construction milestones, continued to demand payments from the complainants. It is important to highlight that the complainants paid up to 85% of the total sale consideration, while, as of 2021, respondent no. 1 had only completed 35% of the construction. Therefore, the termination of the unit by respondent no. 1 was wrongful and unjustified.

C. Relief sought by the complainants:

4. The complainants have sought following relief(s):

- I. Direct the respondent no.1 to pay delay compensation charges @MCLR + 2% per annum on the amount deposited by the complainants to respondent no.1 with effect from the alleged termination of the unit until the date of payment, in the favor of the complainants.
- II. Direct the respondent no.1 to handover the legal and the rightful possession of the unit to the complainants by restoring the unit 9-502 in project in the name of the complainants, or any other alternate unit in the project.
- III. Direct the respondent no.2 to pay Rs. 1,00,000/- towards mental agony caused by the respondent no.2.
- IV. Direct the respondent no. 1 to pay Rs. 5,00,000/- towards mental agony.

V. Direct the respondent no.1 and 2 to pay Rs. 1,00,000/- each towards litigation costs.

5. On the date of hearing, the authority explained to the respondent/ promoter about the contraventions as alleged to have been committed in relation to Section 11(4) (a) of the Act to plead guilty or not to plead guilty.

D. Reply by the respondent.

6. The respondent contested the complaint on the following grounds:

- a) That on 01.08.2017, the complainants applied for allotment of a unit in the project of the respondent and based on draw of lots held on 27.10.2017 in presence of the officials of DGTCP and representatives of Deputy Commissioner for our Affordable Housing Project "The Millennia", a unit was allotted to the complainants bearing no. 9-502 in tower 9 having carpet area of 596.126 sq. ft. and balcony area of 79.653 sq. ft. on 5th floor together with the two wheeler parking site and pro-rata share in common areas vide allotment letter dated 01.11.2017.
- b) That on 11.01.2018, a buyer's agreement was executed for the said unit having sale price of Rs.24,24,331/- excluding all charges, taxes etc. as mentioned and agreed by the complainants under the agreement. The said agreement was signed by the complainants voluntarily with free will and consent without any demur. The complainants had applied for the unit only after the due diligence, verification done and post being fully satisfied with the project.
- c) That as per provision of clause 5.1 of the agreement, the possession of the retail unit was proposed to be offered by August 2021 unless there is a delay or failure due to force majeure events.
- d) That the committed date of possession fall at the time of Covid-19 when the entire nation was under lockdown and considering the same the Ministry of Finance vide Office Memorandum No. F.18/4/2020-PPD

dated 13.05.2020 had considered the period of Covid-19 lockdown as force majeure circumstance and has allowed the parties to contract with an extension of 6 months period fulfilling the contractual obligations. Further, Ministry of Housing and Urban Affairs vide Office Memorandum no. O-17024/230/2018-Housing-UD/EFS-9056405 dated 13.05.2020 had considered the said Covid-19 situation as force majeure for real estate projects and advised the regulatory authorities to extend the registration date, completion date, revised completion date and extended completion date automatically by 6 months due to outbreak of covid-19.

- e) That due to above unforeseen circumstances and causes beyond the control of the respondent, the development of the project got decelerated. Such delay was neither intentional nor deliberate. The respondent was bound to adhere with the order and notifications of the Courts and the Government. Also, it is not out of the place to mention here that the Hon'ble Supreme Court in '*Supertech Ltd. vs. Rajni Goyal, Civil Appeal No. 6649-50 of 2018*', keeping in view the Bans imposed by NGT and other Government Authorities etc. allowed the promoter for the grace period for completion of construction.
- f) That it is pertinent to mention here that the complainants herein had defaulted in making the payment at various instances as per the Affordable Housing policy and the schedule of payment as agreed under the Agreement. The majority of times, the payment from the complainants was received after the lapse of the stipulated time period, which led to levying of late payment charges on the complainants as per the Policy. The same is evident from the Statement of Account as relied upon by the complainants themselves, wherein the payment entries show that at various occasions, the complainants had paid late payment

charges due to default in making timely payments. That it is evident from the bare perusal of the Statement of Account relied upon by the complainants @ Annexure - H at page 91, the complainants were under the obligation to make the payment of Rs.6,54,572/- as on the date of the Statement of Account i.e. 18.05.2021, and which the complainants miserably failed to pay even till the date of cancellation.

- g) That the complainants failed to make the payment of the dues, the respondent herein had issued demand letters dated 03.04.2018; 27.09.2018; 01.10.2018 that when the complainants failed to make the payment of the outstanding dues as per the demand letters, the respondent was constrained to issue the reminders letters dated 01.11.2018; 15.11.2018. That despite the issuances of the demand & reminder letters the complainants failed to make the payment of the outstanding dues and therefore the respondent issued a pre-cancellation letter dated 01.12.2018 followed by a cancellation letter dated 18.12.2018.
- h) That it is pertinent to mention that the complainant's default in making the payment, as per the agreed payment plan & as provided under the Affordable Housing Policy, again forced the respondent to issue a demand letter dated 12.03.2020, 01.10.2020 & 12.12.2020, subsequent to the demand letters, respondent issued a reminder letter dated 22.02.2021, and upon non-payment of the outstanding dues a pre-cancellation letter dated 26.03.2021 for an outstanding amount of Rs.8,86,169/-. That the complainants failed to make the payment towards the subject unit, and the respondent had issued a pre-cancellation notice on 26.03.2021 to pay the outstanding dues towards the subject unit. Thereafter, the respondent was constrained to publish the cancellation notice dated 31.07.2021 in the leading newspaper and

issue cancellation notice dated 31.07.2021 giving 15 days to the complainants to clear the dues towards the subject unit failing which, the subject unit will be deemed cancelled. That the respondent has already refunded the amount to the financer bank on 29.12.2023.

- i) That it is pertinent to mention herein that despite the publication and cancellation, the complainants never came forward to know the status of the project and to pay the outstanding dues. After receiving no update from the complainants, the respondent, after the expiry of considerable time, allotted the subject unit to the new/subsequent allottee, i.e., Sangeeta Handique, vide allotment letter dated 10.11.2021. The new allottee has complied with all the terms and conditions of the BBA and has paid the entire sale consideration. Further, it is pertinent to mention that the conveyance deed dated 04.07.2023 has been executed in the name of new/subsequent allottee and the new allottee is enjoying the peaceful possession since 2023 and the same is evident from the possession certificate dated 04.07.2023.
- j) That the project in question has already been completed, occupation certificate was obtained on 25.01.2023, the conveyance deed was executed on 04.07.2023, and the possession certificate dated 04.07.2023 was issued. Therefore, the project was completed. Moreover, the delay so caused was due to reasons beyond control and therefore, the respondent shall not be liable for the period wherein construction/development activity was affected due to force majeure circumstances or order/direction of the Court or State.
- k) That there exists no cause of action as much as in favour of the complainants or against the respondent and the complaint under reply is liable to be dismissed as per the facts and averments as explained hereinabove.

7. All other averments made in the complaint were denied in toto.
8. Copies of all the relevant documents have been filed and placed on record. Their authenticity is not in dispute. Hence, the complaint can be decided on the basis of those undisputed documents and oral as well as written submissions made by the parties.

E. Jurisdiction of the authority

9. The authority observes that it has territorial as well as subject matter jurisdiction to adjudicate the present complaint for reasons given below.

E.I Territorial jurisdiction

10. As per notification no. 1/92/2017-1TCP dated 14.12.2017 issued by Town and Country Planning Department, the jurisdiction of Real Estate Regulatory Authority, Gurugram shall be entire Gurugram District for all purpose with offices situated in Gurugram. In the present case, the project in question is situated within the planning area of Gurugram District. Therefore, this authority has complete territorial jurisdiction to deal with the present complaint.

E.II Subject matter jurisdiction

11. Section 11(4)(a) of the Act, 2016 provides that the promoter shall be responsible to the allottees as per agreement for sale. Section 11(4)(a) is reproduced as hereunder:

"Section 11.....

(4) The promoter shall-

(a) be responsible for all obligations, responsibilities and functions under the provisions of this Act or the rules and regulations made thereunder or to the allottees as per the agreement for sale, or to the association of allottees, as the case may be, till the conveyance of all the apartments, plots or buildings, as the case may be, to the allottees, or the common areas to the association of allottees or the competent authority, as the case may be;

Section 34-Functions of the Authority:

34(f) of the Act provides to ensure compliance of the obligations cast upon the promoters, the allottees and the real estate agents under this Act and the rules and regulations made thereunder."

12. So, in view of the provisions of the Act quoted above, the Authority has complete jurisdiction to decide the complaint regarding non-compliance of obligations by the promoter leaving aside compensation, which is to be decided by the Adjudicating Officer, if pursued by the complainants at a later stage.

F. Findings on the objections raised by the respondent.

F.I Objection regarding force majeure conditions.

13. The respondent-promoter raised a contention that the construction of the project was delayed due to force majeure conditions such as various orders passed by the Haryana State Pollution Control Board from 01.11.2018 to 10.11.2018, lockdown due to outbreak of Covid-19 pandemic which further led to shortage of labour and orders passed by National Green Tribunal and other statutory authorities.

14. The Authority, after careful consideration, finds that in the present case, the project falls under the Affordable Housing Policy, 2013, which contains specific stipulations regarding the completion of the project. As per Clause 1(iv) of the said Policy:

"All such projects shall be required to be necessarily completed within 4 years from the approval of building plans or grant of environmental clearance, whichever is later. This date shall be referred to as the 'date of commencement of project' for the purpose of this policy. The licenses shall not be renewed beyond the said 4-year period from the date of commencement of project."

15. The respondent/promoter, having applied for the license under the Affordable Housing Policy, was fully aware of these terms and is bound by them. The Authority notes that the construction ban, cited by the respondent, was of a short duration and is a recurring annual event, usually implemented by the National Green Tribunal (NGT) in November. These are known occurring events, and the respondent, being a respondent/promoter, should have accounted for it during project

planning. Hence, all the pleas advanced in this regard are devoid of merits. Further, the respondent has not demonstrated whether it extended any equivalent relief to the allottees during the period of the construction ban. If the respondent did not relax the payment schedules for the allottees, its plea for relief due to delays caused by the construction ban appears unjustified. The Authority, therefore, holds that the respondent is not entitled to any relaxation or extension of time beyond the mandate of four years completion period as prescribed under Affordable Housing Policy, 2013.

16. In accordance with the said policy the respondent was obligated to handover the possession of the allotted unit within a period of four years from the date of approval of building plan or from the date of grant of environment clearance, whichever is later. In the present case, the date of approval of the building plan is 08.06.2017 and environment clearance is 21.08.2017 as taken from the project details. The due date is calculated from the date of environment clearance being later, so, the due date of subject unit comes out to be 21.08.2021. Further *as per HARERA notification no. 9/3-2020 dated 26.05.2020, an extension of 6 months is granted for the projects having completion/due date on or after 25.03.2020.* The completion date of the aforesaid project in which the subject unit is being allotted to the complainant is 21.08.2021 i.e., after 25.03.2020. Therefore, an extension of 6 months is to be given over and above the due date for handing over possession *in view of notification no. 9/3-2020 dated 26.05.2020*, on account of force majeure conditions due to the outbreak of Covid-19 pandemic. So, in such a case the due date for handing over of possession comes out to 21.02.2022. Granting any other additional relaxation would undermine the objectives of the said policy.

G. Findings on the relief sought by the complainant.

G.I Direct the respondent no.1 to pay delay compensation charges @MCLR + 2% per annum on the amount deposited by the complainants to respondent no.1 with effect from the alleged termination of the unit until the date of payment, in the favour of the complainants.

G.II Direct the respondent no.1 to handover the legal and the rightful possession of the unit to the complainants by restoring the unit 9-502 in project in the name of the complainants, or any other alternate unit in the project.

17. The above-mentioned relief sought by the complainants are being taken together as the findings in one relief will affect the result of the other relief and the same being interconnected.

18. The factual matrix of the case reveals that the complainants were allotted unit no. 9-502, tower 9, 5th floor in the respondent's project at the sale consideration of Rs.24,24,331/- under the Affordable Group Housing Policy 2013. A buyer's agreement was executed between the parties on 11.01.2018. The possession of the unit was to be offered within 4 years from approval of building plans (08.06.2017) or from the date of environment clearance (21.08.2017), whichever is later, which comes out to be 21.08.2020 calculated from the date of environment clearance being later. Further, as per HARERA notification no. 9/3-2020 dated 26.05.2020, an extension of 6 months is granted for the projects having completion date on or after 25.03.2020. The completion date of the aforesaid project in which the subject unit is being allotted to the complainant is 21.08.2020 i.e., after 25.03.2020. Therefore, an extension of 6 months is to be given over and above the due date of handing over possession in view of notification no. 9/3-2020 dated 26.05.2020, on account of force majeure conditions due to outbreak of Covid-19 pandemic. Therefore, the due date of handing over possession comes out to be 21.02.2022. The complainants paid a sum of Rs.19,87,953/- towards the subject unit and is ready and willing to retain the allotted unit in question. Further, the respondent obtained occupation certificate on 25.01.2023 from the competent authority.

19. The respondent vide reminder/demand letters dated 12.03.2020, 12.12.2020 and 22.02.2021 intimated the complainants for payment of the outstanding dues but they failed to adhere the same. It is observed that the complainant failed to pay the remaining amount as per the schedule of payment and hence the unit was cancelled. The continuous default on part of the complainant to make payment of outstanding dues constrained the respondent to make a publication of the same in the newspaper "Dainik Jagran" on 31.07.2021. The respondent also communicated to the complainants about the cancellation of their unit on 31.07.2021 and further asked him to take refund of the amount paid by the complainants. Reminders dated 19.04.2024, 08.04.2024 and e-mail dated 13.06.2023 were also sent by the respondent to the complainant to collect the payment against the cancelled unit. Thereafter, the respondent also refunded an amount of Rs.18,66,736/- to the PNB Housing Finance Limited on 29.12.2023. Further, third party rights were also created on the unit in question on 10.11.2021 in favour of Mrs. Sangeeta Handique.

20. It is observed that the complainants failed to pay the remaining amount as per schedule of payment and which led to issuance of notice for cancellation by the respondent/builder dated 31.07.2021. In line with the aforesaid facts, the written submission filed by the parties and documents placed on record, the main question which arises before the authority for the purpose of adjudication is that "whether the said cancellation is a valid in the eyes of law?"

21. Clause 5(iii) (i) of the Affordable Group Housing Policy, 2013 talks about the cancellation. The relevant part of the clause is reproduced below:-

"If any successful applicant fails to deposit the instalments within the time period as prescribed in the allotment letter issued by the colonizer, a reminder may be issued to him for depositing the due instalments within a period of 15 days from the date of issue of such notice. If the allottee still defaults in making the payment, the

list of such defaulters may be published in one regional Hindi newspaper having circulation of more than ten thousand in the State for payment of due amount within 15 days from the date of publication of such notice, failing which allotment may be cancelled. In such cases also an amount of Rs 25,000/- may be deducted by the coloniser and the balance amount shall be refunded to the applicant. Such flats may be considered by the committee for offer to those applicants falling in the waiting list".

22. In the present case, the agreement to sell was executed inter-se the parties on 11.01.2018, and the complainants have paid an amount of Rs.19,87,953/- which constitutes 82% of the sale consideration. Accordingly, the respondent /builder issued numerous reminder/demand letters dated 12.03.2020, 12.12.2020 and 22.02.2021 to the complainant. Thereafter, the respondent made a publication of the same in English Newspaper "Dainik Jagran" on 31.07.2021 and finally the unit was cancelled on 31.07.2021.

23. Further, Section 19(6) and Section 19(7) of the Act of 2016 casts an obligation on the allottees to make necessary payments in a timely manner. The respondent has given sufficient opportunities to the complainants and finally cancelled the allotted unit of the complainants vide letter dated 31.07.2021. The authority is of the considered view that the respondent has followed the prescribed procedure as per clause 5(iii)(i) of the Policy, 2013 and in view of the same, the cancellation dated 31.07.2021 is held to be valid.

24. As per cancellation clause of the affordable housing policy of 2013 the respondent can deduct the amount of Rs.25,000/- only and the balance amount shall be refunded back to the complainants. In view of aforesaid circumstances, the respondent is obligated to refund the amount paid by the complainants after deduction of Rs.25,000/- as per clause 5(iii)(i) of the Policy 2013 along with interest on such balance amount at the prescribed rate of interest i.e., @ 10.80% p.a. (the State Bank of India highest marginal

cost of lending rate (MCLR) applicable as on date +2%) as prescribed under Rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from date of cancellation of allotment i.e., 31.07.2021 till the date of actual realization within the timelines provided in Rule 16 of the Haryana Rules 2017 ibid.

25. Out of total amount so assessed, the amount paid by the bank i.e., respondent no. 2 be refunded first to the bank and the balance amount along with interest will be refunded to the complainants. Further, respondent no. 1 is obligated to get the NOC from respondent no. 2 and give it to the complainants within a period of 30 days of this order.
26. It is important to note that the respondent-builder had already refunded the amount of Rs.18,66,736/- to the respondent no.2 vide bank transfer on 29.12.2023. Therefore, the amount already paid by the respondent no.1 to the respondent no.2 shall be adjusted accordingly.

G.III Direct the respondent no.2 to pay Rs. 1,00,000/- towards mental agony caused by the respondent no.2.

G.IV Direct the respondent no. 1 to pay Rs. 5,00,000/- towards mental agony.

G.V Direct the respondent no.1 and 2 to pay Rs. 1,00,000/- each towards litigation costs.

27. The complainants in above-mentioned reliefs is seeking compensation. Hon'ble Supreme Court of India in civil appeal nos. 6745-6749 of 2021 titled as *M/s Newtech Promoters and Developers Pvt. Ltd. V/s State of Up & Ors. 2021-2022 (1) RCR (c) 357*, has held that an allottee is entitled to claim compensation & litigation charges under Sections 12,14,18 and Section 19 which is to be decided by the adjudicating officer as per Section 71 and the quantum of compensation & litigation expense shall be adjudged by the adjudicating officer having due regard to the factors mentioned in Section 72. The adjudicating officer has exclusive jurisdiction to deal with the complaints in respect of compensation. Therefore, the complainants are

at liberty to approach the adjudicating officer for seeking the relief of compensation.

H. Directions of the authority

28. Hence, the authority hereby passes this order and issues the following directions under Section 37 of the Act to ensure compliance of obligations cast upon the promoter as per the function entrusted to the authority under Section 34(f):

- I. The respondent no.1 is directed to refund the amount paid by the complainants after deduction of Rs.25,000/- as per clause 5(iii)(i) of the Policy 2013 along with interest at the prescribed rate of interest i.e., @ 10.80% p.a. as prescribed under Rule 15 of the Haryana Real Estate (Regulation and Development) Rules, 2017 from date of cancellation of allotment i.e., 31.07.2021 till the date of actual realization within the timelines provided in Rule 16 of the Haryana Rules 2017 ibid. The amount already paid by the respondent no.1 to the respondent no.2, shall be adjusted from the refundable amount and shall return the balance amount to the complainants and respondent no.2 accordingly.
- II. Out of the total amount so assessed, the amount paid by the bank i.e., respondent no.2 be refunded first to the bank and the balance amount along with interest will be refunded to the complainants.
- III. The respondent no. 1 is directed to get the NOC from respondent no. 2 and give it to the complainants within a period of 30 days of this order.

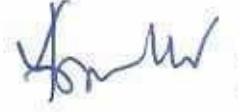
IV. A period of 90 days is given to the respondent to comply with the directions given in this order and failing which legal consequences would follow.

29. Complaint stands disposed of.

30. File be consigned to registry.



(Phool Singh Saini)
Member



(Arun Kumar)
Chairman

Haryana Real Estate Regulatory Authority, Gurugram

Dated: 23.12.2025



HARERA
GURUGRAM